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Poultry Programs

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## Mexico

Total Mexican imports of poultry meat were revised downward for 2000 as the contraction in the domestic supply, caused by the Newcastle disease outbreak in northern Mexico, was not as large as had been expected. The Mexican Government (GOM), however, again allocated duty-free mechanically deboned meat (MDM) import levels substantially above the 2000 NAFTA tariff rate quota because of shortage in domestic production. This trend is expected to continue in 2001. The GOM, for example, allocated recently 31,000MT of turkey cuts and 79,800MT of MDM for the first half of 2001. The first-half of 2001 quota for turkey cuts is nearly equal to the NAFTA TRQ for the entire year, which is 34,436MT.

Retail sales of both locally produced whole turkeys and U.S. processed whole turkey, mainly smoked, were reportedly higher in the 2000 Christmas season compared to previous one. A main supermarket chain and a poultry processor imported approximately 160,000 raw, whole turkeys from Chile. Imports of poultry from Chile entered duty-free since Mexico-Chile Free Trade Agreement has been fully implemented since 1998.

## Tariff Reductions for NAFTA Poultry Products

| Year     | Table Eggs | Poultry Meat | Turkey Meat |
|----------|------------|--------------|-------------|
| Jan 1994 | 48.0%      | 249.6%       | 127.7%      |
| Jan 1995 | 46.0%      | 239.2%       | 122.4%      |
| Jan 1996 | 44.0%      | 228.8%       | 117.0%      |
| Jan 1997 | 42.0%      | 218.4%       | 111.7%      |
| Jan 1998 | 40.0%      | 208.0%       | 106.4%      |
| Jan 1999 | 38.0%      | 197.6%       | 101.1%      |
| Jan 2000 | 28.5%      | 148.2%       | 75.8%       |
| Jan 2001 | 19.0%      | 98.8%        | 50.5%       |
| Jan 2002 | 9.5%       | 49.4%        | 25.3%       |
| Jan 2003 | 0%         | 0%           | 0%          |

On December 29, 2000, Mexico's Secretariat of Treasury (SHCP) announced that as of December 30, 2000, it would impose an estimated price system on imported poultry meat, salted or in brine, for the purpose of calculating the duty. Importers of poultry meat (salted or in brine) will have to deposit money in an account against the difference of the duty between the estimated price and the "export value" (including transportation costs and broker's fees) if the latter is lower.

In October 2000, U.S. and Mexican poultry and egg industries signed an agreement, with the idea of sharing markets between both countries instead of competing for the same markets. Under the agreement, the NAFTA Egg and Poultry Partnership (NEPP) will be created. The new international organization will work to strengthen communication and cooperation between the industries, advance mutual understanding, promote poultry and egg consumption and improve competitiveness. Industry sources estimate NEPP will likely be established formally during the first quarter of 2001.

Source: USDA/Foreign Agricultural Service

## Japan

Japan's broiler meat imports from Asia and Brazil in 2001 are projected at 550,000 MT, down 2% from last year, due to high year-beginning inventories, a weakening yen, and rising demand in EU for chicken meat due to BSE. However, imports of prepared chicken products from China and Thailand will continue growing this year due to intensifying competition in the fast food, take-out and convenience food market. Sales opportunities for U.S. broiler parts (mostly of bone-in leg), forecast at 95,000 MT in 2001, will hinge on Japanese processor demand for deboning cuts. In Japan's egg market, an anticipated rise in domestic egg production, coupled a weakening yen, will likely push processed egg product imports downwards in 2001.

## Japanese Imports of Prepared Poultry Meat Products

|          | 1998    | 1999    | Chg  | Share | 2000*   | Chg | Share |
|----------|---------|---------|------|-------|---------|-----|-------|
| Thailand | 38,022  | 40,574  | 7%   | 35%   | 46,000  | 13% | 31%   |
| China    | 41,663  | 59,393  | 43%  | 51%   | 89,500  | 51% | 60%   |
| U.S.     | 13,015  | 14,845  | 14%  | 13%   | 13,800  | -7% | 9%    |
| Others   | 22,728  | 616     | -97% | 1%    | 7001    | 4%  | 0%    |
| Total    | 115,428 | 115,428 | 0%   | 100%  | 150,000 | 30% | 100%  |

Note\*: CY2000 figures are Ag. Office Projections

Source: Ministry of Finance: Compiled by Ag. Office

## Japanese Imports of Processed Egg Products, Jan-Nov

| Metric Ton (Customs Clearance Basis) |  | 1999  | 2000   | Chg. | USA Vol | USA Growth | USA Share |
|--------------------------------------|--|-------|--------|------|---------|------------|-----------|
| Yolk (D)                             |  | 1,817 | 1,843  | 1%   | 1,228   | 42%        | 66.6%     |
| Yolk (F)                             |  | 8,782 | 11,573 | 32%  | 10,788  | 28%        | 93.2%     |
| Whole Egg (D)                        |  | 2,094 | 2,233  | 7%   | 1,380   | -8%        | 61.8%     |
| Whole Egg (F)                        |  | 1,905 | 2,233  | 17%  | 0       | NA         | 0.0%      |
| Albumen (D)                          |  | 8,960 | 8,770  | -2%  | 528     | -31%       | 6.0%      |
| Albumen (F)                          |  | 3,557 | 4,104  | 15%  | 0       | NA         | 0.0%      |

(D) Dried, (F) Frozen

Source: World Atlas

Note: Major Supplier of Dried Albumen is Brazil and of Frozen Albumen is EU. Major Suppliers of Frozen Whole Egg are China and Thailand.

Source: USDA/Foreign Agricultural Service

## Fiscal Year 2001 Poultry Export Forecast

Since the last forecast, poultry meat volume in fiscal year 2001 has been raised 100,000 tons, to 2.9 million tons based on continued strong sales to Russia, China, and Mexico.

## U.S. Poultry Meat Exports

|                               | FY2000 | FY2001 |
|-------------------------------|--------|--------|
| Value in billion dollars      | 1.962  | 2.0    |
| Volume in million metric tons | 2.847  | 2.9    |

As of February 9, 2001, approximately 5,700 metric tons of poultry were committed for export under the Export Enhancement Program, with a total bonus value of nearly \$3.6 million.

Source: USDA/Economic Research Service

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**Inspected Egg Products-U.S. & Canada Export/Import Trade**  
**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

| Week Ending Feb 17, 2001 | 2001 | 2000 /1 | Year-To-Date<br>2001 | 2000 |
|--------------------------|------|---------|----------------------|------|
| Liquid                   | 191  | 103     | 822                  | 858  |
| Frozen                   | 0    | 0       | 0                    | 0    |
| Dried                    | 0    | 0       | 22                   | 18   |
| Total                    | 191  | 103     | 844                  | 876  |

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

| Week Ending Feb 17, 2001 | 2001 | 2000/1 | Year-To-Date<br>2001 | 2000  |
|--------------------------|------|--------|----------------------|-------|
| Liquid                   | 149  | 183    | 821                  | 902   |
| Frozen                   | 46   | 6      | 148                  | 24    |
| Dried                    | 27   | 40     | 67                   | 241   |
| Total                    | 222  | 229    | 1,036                | 1,167 |

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

| Week Ending Feb 17, 2001 | 2001  | 2000 /1 | Year-To-Date<br>2001 | 2000   |
|--------------------------|-------|---------|----------------------|--------|
| Jumbo                    | 0     | 0       | 0                    | 13     |
| Extra Large              | 200   | 0       | 930                  | 2,133  |
| Large                    | 1,790 | 1,590   | 11,261               | 14,290 |
| Medium                   | 1,110 | 750     | 2,160                | 2,678  |
| Ungraded                 | 750   | 0       | 9,810                | 6,180  |
| Misc                     | 0     | 0       | 1,687                | 750    |
| Total                    | 3,850 | 2,340   | 25,848               | 26,044 |

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Pltry Development Div.

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 17-Feb-01  
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

|                  | LIGHT<br>HENS | HEAVY<br>HENS | TOTAL<br>HENS |
|------------------|---------------|---------------|---------------|
|                  | THOUSANDS     |               |               |
| HEAD             | 1,585         | 1,487         | 3,072         |
| LAST WEEK        | 1,956         | 1,346         | 3,302         |
| SAME WEEK YR AGO | 1,986         | 1,335         | 3,321         |
| TO-DATE/2001     | 12,634        | 8,884         | 21,518        |
| TO-DATE/2000     | 14,229        | 9,301         | 23,530        |

**U.S. FOWL SLAUGHTERED IN CANADA**

|                  | LIGHT<br>HENS | HEAVY<br>HENS | TOTAL<br>HENS |
|------------------|---------------|---------------|---------------|
|                  | THOUSANDS     |               |               |
| HEAD             | 580           | 21            | 601           |
| LAST WEEK        | 436           | 7             | 443           |
| SAME WEEK YR AGO | 599           | 0             | 599           |
| TO-DATE/2001     | 3,735         | 48            | 3,783         |
| TO-DATE/2000     | 4,038         | 27            | 4,065         |

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED  
IN THE U.S. AND CANADA**

|                  | LIGHT<br>HENS | HEAVY<br>HENS | TOTAL<br>HENS |
|------------------|---------------|---------------|---------------|
|                  | THOUSANDS     |               |               |
| HEAD             | 2,165         | 1,508         | 3,673         |
| LAST WEEK        | 2,392         | 1,353         | 3,745         |
| SAME WEEK YR AGO | 2,585         | 1,335         | 3,920         |
| TO-DATE/2001     | 16,369        | 8,932         | 25,301        |
| TO-DATE/2000     | 18,267        | 9,328         | 27,595        |

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

23-FEB-2001  
**CHICKEN** — PRICES — VOLUME —  
(Cents per Pound)

| FAT<br>CONTENT | FROZEN | FRESH | TOTAL | EXPORT |
|----------------|--------|-------|-------|--------|
| 15% OR LESS    |        |       |       |        |
| RANGE          | -      | -     | -     | -      |
| WTD AVERAGE    |        |       |       |        |

**CHICKEN, WITH SKIN ADDED**

— PRICES — VOLUME —  
(Cents per Pound)

| FAT<br>CONTENT | FROZEN      | FRESH       | TOTAL   | EXPORT  |
|----------------|-------------|-------------|---------|---------|
| 15% OR LESS    |             |             |         |         |
| RANGE          | -           | 15.00       | 20,400  | -       |
| WTD AVERAGE    |             | 15.00       |         |         |
| 15-20%         |             |             |         |         |
| RANGE          | 16.00-19.00 | 11.00-12.50 | 938,400 | 408,000 |
| WTD AVERAGE    | 18.40       | 11.28       |         |         |

20% OR MORE

| RANGE       | FROZEN | FRESH | TOTAL | EXPORT |
|-------------|--------|-------|-------|--------|
| RANGE       | -      | -     | -     | -      |
| WTD AVERAGE |        |       |       |        |

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

23-FEB-2001  
**CHICKEN** — PRICES — VOLUME —  
(Cents per Pound)

| FAT<br>CONTENT | FROZEN | FRESH | TOTAL   | EXPORT  |
|----------------|--------|-------|---------|---------|
| 15% OR LESS    |        |       |         |         |
| RANGE          | 20.00  | -     | 320,000 | 320,000 |
| WTD AVERAGE    | 20.00  |       |         |         |

**CHICKEN, WITH SKIN ADDED**

— PRICES — VOLUME —  
(Cents per Pound)

| FAT<br>CONTENT | FROZEN      | FRESH       | TOTAL     | EXPORT  |
|----------------|-------------|-------------|-----------|---------|
| 15% OR LESS    |             |             |           |         |
| RANGE          | 15.50-18.00 | 15.00-17.00 | 872,000   | 212,000 |
| WTD AVERAGE    | 15.91       | 16.03       |           |         |
| 15-20%         |             |             |           |         |
| RANGE          | 12.25-18.00 | 11.00-14.00 | 1,856,000 | 616,000 |
| WTD AVERAGE    | 14.86       | 12.88       |           |         |

20% OR MORE

| RANGE       | FROZEN | FRESH | TOTAL   | EXPORT |
|-------------|--------|-------|---------|--------|
| RANGE       | -      | 11.00 | 120,000 | -      |
| WTD AVERAGE |        | 11.00 |         |        |

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 23 FEBRUARY 2001.

Undertone steady to instances firm on fresh tom breast meat with only limited trading noted at the higher offering prices. Domestic demand was the most active on white meat items, light to fair on the balance of items. Export demand was active for Russia and Eastern Europe with interest also noted for Asia, Africa and Mexico. Domestic trading was light on all items. Export trading was heavy on frozen 15-20% mechanically separated turkey and frozen thigh meat for March shipments. The balance of export trading was light and centered on wings and drums. Some livers traded at 17 cents delivered port.

**FRIDAY, FEBRUARY 23, 2001****EXPORT TRADING**

|                           | PRICE<br>RANGE | L.S.T.<br>CODE 1/ | WTD AVG<br>PRICE | VOLUME<br>(000) | WEEKLY<br>WTD AVG<br>PRICE | WEEKLY<br>VOLUME<br>(000) |
|---------------------------|----------------|-------------------|------------------|-----------------|----------------------------|---------------------------|
| DRUMSTICKS, TOMS          | 29.00          |                   | 29.00            | 104             | 28.67                      | 660                       |
| WINGS FULL-CUT - TOMS     | 20.00-22.00    |                   | 21.43            | 364             | 22.81                      | 768                       |
| WINGS, V-TYPE, TOM        | 27.00          |                   | 27.00            | 104             | 26.50                      | 416                       |
| TAILS                     | 22.00          |                   | 22.00            | 52              | 23.82                      | 132                       |
| MECHANICALLY SEPARATED 4/ | 14.00-16.00    |                   | 14.24            | 2,020           | 14.23                      | 2,060                     |
| THIGH MEAT - FROZEN       | 52.00-59.00    |                   | 55.85            | 1,332           | 55.82                      | 2,300                     |

**THURSDAY, FEBRUARY 22, 2001****EXPORT TRADING**

|                           | PRICE<br>RANGE | L.S.T.<br>CODE 1/ | WTD AVG<br>PRICE | VOLUME<br>(000) |
|---------------------------|----------------|-------------------|------------------|-----------------|
| DRUMSTICKS, TOMS          | 28.00-30.00    |                   | 28.79            | 132             |
| WINGS FULL-CUT - TOMS     | 22.00-25.00    |                   | 24.06            | 404             |
| WINGS, V-TYPE, TOM        | 28.00          |                   | 28.00            | 104             |
| TAILS                     | 25.00          |                   | 25.00            | 80              |
| MECHANICALLY SEPARATED 2/ |                | W                 | 14.00            | 40              |
| THIGH MEAT - FROZEN       | 55.00          |                   | 55.00            | 260             |

**WEDNESDAY, FEBRUARY 21, 2001****EXPORT TRADING**

|                           | PRICE<br>RANGE | L.S.T.<br>CODE 1/ | WTD AVG<br>PRICE | VOLUME<br>(000) |
|---------------------------|----------------|-------------------|------------------|-----------------|
| DRUMSTICKS, TOMS          | 27.00-29.00    |                   | 28.70            | 264             |
| WINGS FULL-CUT - TOMS     |                | F                 | 20.43            | 184             |
| WINGS, V-TYPE, TOM        | 24.00-27.00    |                   | 25.50            | 208             |
| TAILS                     |                |                   |                  |                 |
| MECHANICALLY SEPARATED 2/ | 14.00          |                   | 14.00            | 40              |
| THIGH MEAT - FROZEN       | 55.00-57.00    |                   | 56.07            | 708             |

**TUESDAY, FEBRUARY 20, 2001****EXPORT TRADING**

|                           | PRICE<br>RANGE | L.S.T.<br>CODE 1/ | WTD AVG<br>PRICE | VOLUME<br>(000) |
|---------------------------|----------------|-------------------|------------------|-----------------|
| DRUMSTICKS, TOMS          | 27.75-29.50    |                   | 28.31            | 160             |
| WINGS FULL-CUT - TOMS     |                | F                 | 20.43            | 184             |
| WINGS, V-TYPE, TOM        |                | F                 | 25.17            | 312             |
| TAILS                     |                |                   |                  |                 |
| MECHANICALLY SEPARATED 2/ |                | F                 | 15.50            | 40              |
| THIGH MEAT - FROZEN       |                | F                 | 55.18            | 448             |

**\*\*\*NOTICE\*\*\***  
**MONDAY, FEBRUARY 19, 2001**  
**PRESIDENTS DAY HOLIDAY**  
**NO EXPORT TRADING REPORTED**

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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